

Family Camp Feasibility Study

DRAFT Report

August 2011

Prepared By:



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CHAPTER ONE INTRODUCTION

The City of San José Parks, Recreation, and Neighborhood Services Department (“Department”) operates a Family Camp located in the heart of the Sierras near Yosemite National Park, about 150 miles east of the City of San José. This is a scenic 46-acre self-contained campground facility offers amenities for a varied group of individuals and interests. Tent cabins for campers, a dining complex, a swimming area, amphitheater, campfire circle, and conveniently located restroom/bath units, with hot showers are accompanied by a softball field, archery range, horseshoe pit, playground, shuffleboard courts, and a lodge for special gatherings.

In February 2011, the Department staff developed a Business Plan in for its Family Camp operations. On the heels of this plan, it contracted with PROS Consulting, LLC for consulting services to build upon the business plan’s findings and recommendations as well as undertake a Feasibility Study for the same.

The goal of this study is to provide an objective, professional perspective in presenting the financial viability of multiple potential scenarios and thus determine the future direction of the Family Camp operations. As mentioned earlier, since the Feasibility Study expands the work of the Business Plan, elements of the Business Plan are co-opted within this report to ensure concurrency of information, to maximize efficiencies and provide interconnectedness of thought throughout.



Image: San José Family Camp

1.1 OUTLINE

The report follows the following outline:

Introduction	
Family Camp; History and Description	
History	Description
Market Analysis	
Family Camp Trends	Overall Camping Trends
San José Demographics	Supply Side / Demand Side
Financial Analysis	
Financial Assumptions	Revenues
Operating Expenditures	Direct and Indirect Operating Expenditures
Revenues and Direct Operating Expenditures	Revenues and Direct Plus Indirect Operating Expenditures
Annual Capital Expenditures	Total Operating Revenues and Expenditures plus Annual Capital Expenditures
Results of Operations	Capital Improvement Plan Scenarios
Base Capital Improvement Plan	Capital Improvement Plan for Scenarios 1,2,3
Net Present Value of Four Scenarios	Summary of Financials
Recommendations	
Decision Matrix	Operating Recommendations
Conclusion	

1.2 KEY ISSUES

Based on discussions with the Department senior staff and Family Camp staff, as well as site tour and personal observations by the PROS team, there are some key issues that will have a bearing on the operational success and long-term sustainability of the camp.

Overall, the following key issues were identified as areas to be addressed through this plan:

- Looming capital improvement and replacement costs ranging into millions of dollars
- Lack of winterization limits shoulder season capacity
- Family Camp model facing competition from wide variety of recreation opportunities available to the potential users
- Lack of awareness about Family Camp and its existence
- Insufficient marketing and absence of a brand
- Limited room for expansion in current camp structure
- Pricing structure and strategies do not reflect competitor rates or demand

1.3 EXECUTIVE SUMMARY

To be completed after Final Staff Approval.

CHAPTER TWO – SAN JOSÉ FAMILY CAMP: HISTORY AND DESCRIPTION

2.1 HISTORY

In the early 1900s, the site of the future Oakland Recreation Camp was located just upstream from a work camp used for the Hetch-Hetchy Valley/O'Shaughnessy Dam Project in Yosemite National Park. The Camp was also located near a stopover site along the Hetch-Hetchy Railroad, which served as both passenger and commercial service from 1917 through 1938.

The City of Oakland leased the site from the U.S. Forest Service as a recreation camp in 1920 and constructed the first municipal camp. Oakland Recreation Camp opened in 1921 and by the following year had served 3,200 campers. This facility served as a national model for recreational camps. It provided a relatively large number of meals and affordable accommodations for campers. Camp activities included nature studies, hiking, and swimming in a pool of water formed by the annual installation of flash boards in the Middle Fork of the Tuolumne River, thus creating a small dam structure, which is still used today during Camp's summer season.

In the 1960s, the City of Oakland announced that their municipal camp was up for sale, and San José subsequently began process with Oakland to purchase the Tuolumne River Camp Site. San José's City Council authorized the City to submit a sealed bid to acquire the Oakland Camp in November of 1967, for a purchase price of \$75,000. At that time, the Camp's land was leased from the U.S. Forest Service for \$1,000 per year and it has been operated by San José ever since.

2.2 DESCRIPTION

The Family Camp is approximately a two and half hour drive east of the City of San José and is situated on 46.8 acres of federal land leased from the Groveland Ranger District of the Stanislaus National Forest (U.S. Forest Service). It is located just off of State Route 120, east of Groveland, California and 10 miles west of the northern entrance to Yosemite National Park. Family Camp seeks to provide a retreat where campers of all ages can fish, hike, swim and participate in organized activities, interpretive programs, or just relax and enjoy the beautiful mountain scenery.

The site has been managed and utilized by the Department since 1968 as a summer family camp, with 70 wood-framed and canvas covered platform-tents scattered among the pines and oak trees along the Middle Fork of the Tuolumne River. Family Camp can house up to 390 campers per night. In 2009, the summer season average was 209 per night with 300 plus on the weekends. Family Camp is operated by staff of approximately 40 to 60 seasonal employees and volunteers. In 2009, 5,755 individuals attended Family Camp, which equated to approximately 16,275 visitor nights. Other Family Camp improvements include a dining hall, a patio/deck area, an amphitheater, a crafts and arts building, restrooms, a playfield, a tot area and service buildings.

Overall the Family Camp is supported by the following facilities:

- A camp office/dining hall/kitchen/ recreation room and first aid station in one main camp building
- A Patio/deck area adjacent to the main bld.
- A camp store
- An amphitheater facility
- A play area for tots
- A arts and crafts building
- A camp fire circle
- A softball/open turf field
- A basketball court
- Horseshoe pits / Barbeque facilities
- A nature/educational type trail
- Various storage buildings / 7 restrooms buildings / Staff housing units
- Caretaker's House and Carport plus the Manager's cabin
- Three bridges crossing the river
- A swimming hole
- Dual water systems with associated facilities
- A sewer system with associated facilities
- Laundry facilities

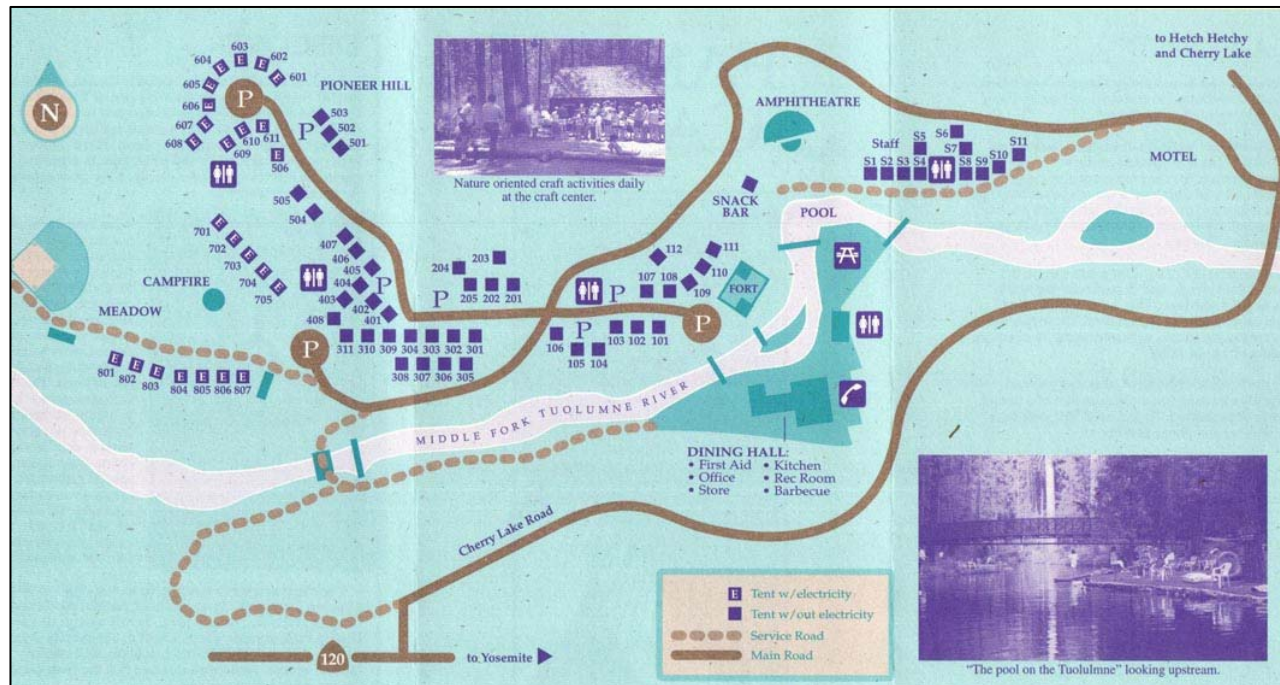


Image: Map and Layout of San José Family Camp

CHAPTER THREE – MARKET ANALYSIS

3.1 FAMILY CAMP TRENDS

Family camps have offered cross-generational activities on weekends throughout half the year, as well as family sessions during the summer. Family camps help parents to introduce the camp experience to younger children and allow them to engage in healthy, positive experiences with their children. In the end, the objective of family camps is to allow the family to bond, grow closer, and build relationships as a family and with other families and friends.

The American Camp Association, Virginia Tech, University of Arizona 4-H Youth Development and the Carilion Clinic, Virginia completed a study titled “Family Camp Impacts Research Project” outlining families’ motivation for participating, perceived benefits of participation and aspects most appealing to users in a family camp. Some key findings include:

- Most families (64%) attended camp for two to three days
- Some families brought grandmothers (17%) or grandfathers (15%) to camp with them as well as adult friends (29%) and youth friends (27%)
- Most families heard about family camp via word-of mouth (70.8%) and the camp website (43.8%)
 - The least effective forms of advertising for family camp were through the camp brochure (29.2%) and print ads in newspapers or magazines (4.2%)
- The top four motivators of family camp participation were: a fun and relaxing experience, the peaceful outdoor atmosphere, greater quality time with family, and the cost of family camp
- 60% of respondents indicated that family camp experiences reinforced good parenting
- 86% of respondents indicated that the family camp experience reinforced family relationships

3.2 OVERALL CAMPING TRENDS

Other overall camping trends as reported by the American Camping Association include:

- Each summer more than 11 million children and adults take advantage of the camp experience
- In a 2009 Camper Enrollment Survey, over 50% of responding camps reported the same or higher enrollment than previous summers
- Female campers account for 55 percent of total enrollment

- The most popular session length is one week or less, although the majority of independent camp operators offer four, six, and eight-week sessions
- Over 70% of camps report that over half of their camper population was comprised of returning campers
- In an ACA survey, 75% of camp directors reported adding new activities and programs over the last few years. The newest program additions in recent years are challenging and adventurous activities, including high and low ropes courses, climbing walls, zip lines, backpacking, mountain biking, and cave exploring.



- Over 50% of ACA-accredited camps offer ropes course activities or have other constructed adventure/challenge facilities.
- In an ACA survey, over half of the camps reported having community service or good deed programs incorporated into their programs.
 - The top projects conducted at camps were community clean-ups, food drives, recycling programs, and volunteering with senior citizens and hospital patients.
- Use of technology is fast becoming mainstream
 - Computers are now used not only for camp registration and financial records, but also for program scheduling and client data. Use of the Internet as a marketing tool continues to increase. Of the approximately 2,400 ACA-accredited camps, 79% have their own Web site.
- 65% of camps report enrollment that stayed the same or increased within the past five years, while 10% of camps reached capacity level and 35% of camps are reportedly 90-99% full

3.3 SAN JOSÉ DEMOGRAPHICS

The Demographic Analysis provides a snapshot of the population within a specific service area. Given that almost 70% of the participants for the Family Camp come from San José, for the purpose of this report, the City of San José was utilized as the service area. This analysis demonstrates the overall size of total population by specific age segment and the overall economic status and spending power of the residents through household income statistics. This data helps identify patterns and potential trends that would influence the type and nature of offerings undertaken by the agency.

It is important to note that all future demographic projections are based on historical trends. All projections should be utilized with the understanding that unforeseen circumstances during or after the time of the projections could have a significant bearing on the validity of the final projections.

3.3.1 Methodology

Demographic data used for the analysis was obtained from Environmental Systems Research Institute, Inc. (ESRI), the largest research and development organization dedicated to Geographical Information Systems (GIS) and specializing in population projections and market trends. All data was acquired in March 2011 (i.e. *Source: ESRI; 2010 11*), and reflects actual numbers as reported in the 1990/2000 Census and demographic projections for 2010 and 2015 as estimated by ESRI.

3.3.2 OVERVIEW

The **total population** in the service area grew at slightly less than 1.0% (average annual growth) over the last decade. From 2000 – 2010 the population increased from 894,943 to an estimated 973,000. The five-year projection for the population in the market area is 1,014,696, representing a change of 0.84% percent annually from 2010 to 2015. (The 2010 US Census has San Jose at 946,000)

Population characteristics have remained relatively stagnant over the past decade, evident by a very moderate 0.8% annual average growth rate, and are projected to mimic this limited growth over the next five years.

From an **age segment** standpoint, the youth population is expected to be consistent over the next 10-15 year period, while the 55+ population demonstrates an aging trend as evidenced on the chart on the following page.

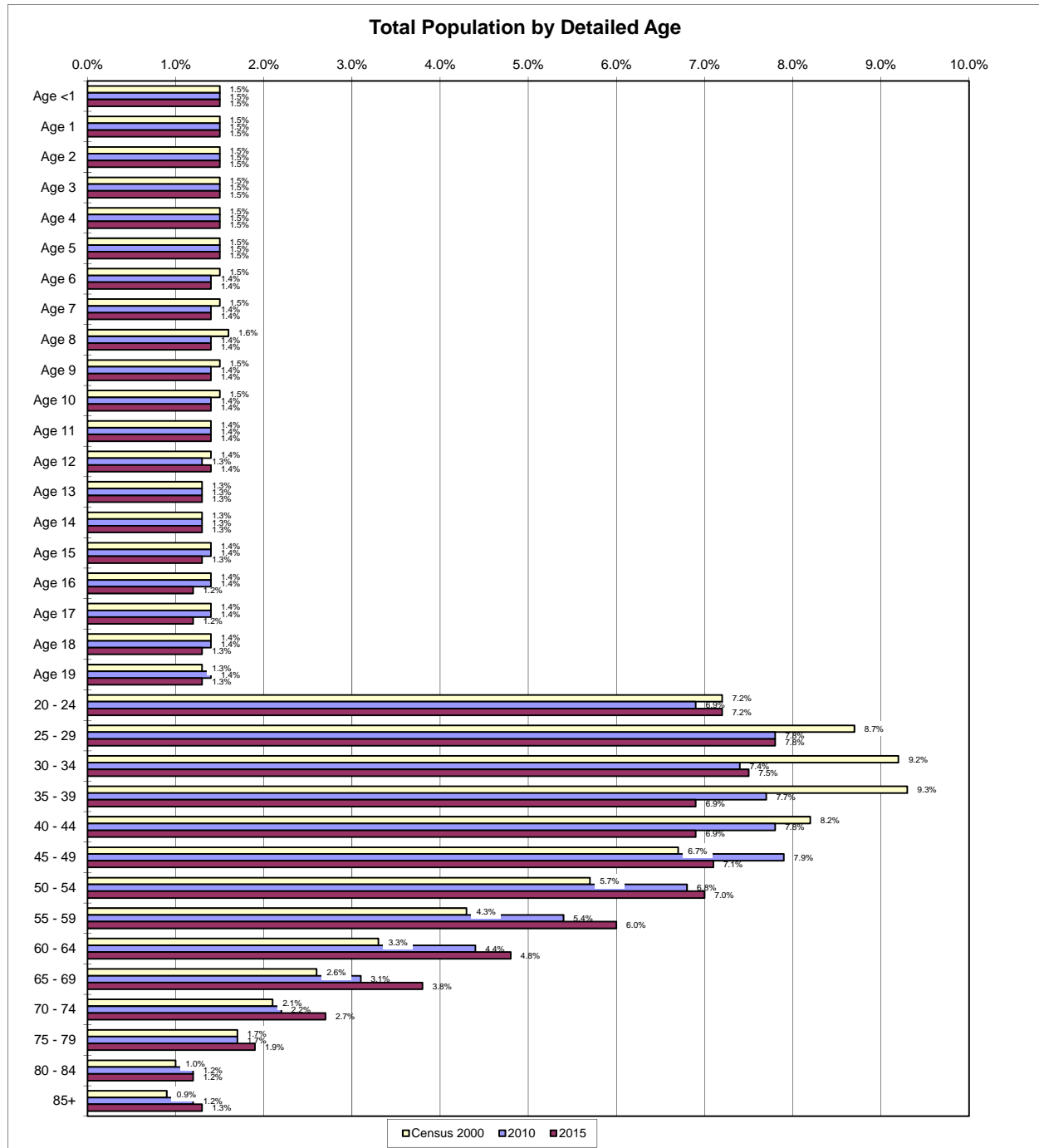


Figure 1 - Population by Age Segment

San José is a highly diverse community with a diversity index of 84.6. Over the past decade, the City's racial composition has remained relatively steady. Currently, race and ethnicity is predominantly comprised of persons identified as White Alone (40.8%) and Asian or Pacific Islander Alone (33.1%). Those classified as Some Other Race Alone (17.1%), Two or More Races (5.3%), and Black Alone (3.1%) round out the top five racial groups in terms of total populace. In terms of ethnic origins, less than 33.1% of the City's populace is classified as being of Hispanic/Latino origin of any race. It is expected that the racial composition will remain fairly steady over the next five years.

San José's **income characteristics** exhibit growth trends. The median household income is currently estimated at \$89,280. This represents a 2.8% average annual increase over the reported \$69,828 median household income for 2000. Unlike the population projections, projected growth for the median household income is expected increase in the next five years at a rate greater than the previous period. By 2015, median household income is projected to reach \$104,924.

Median household income represents the earnings of all persons age 16 years or older living together in a housing unit. The per capita income, too, is projected to increase from \$26,697 in 2000 to the current estimated \$35,995 in 2010 and reaching \$41,101 by 2015.

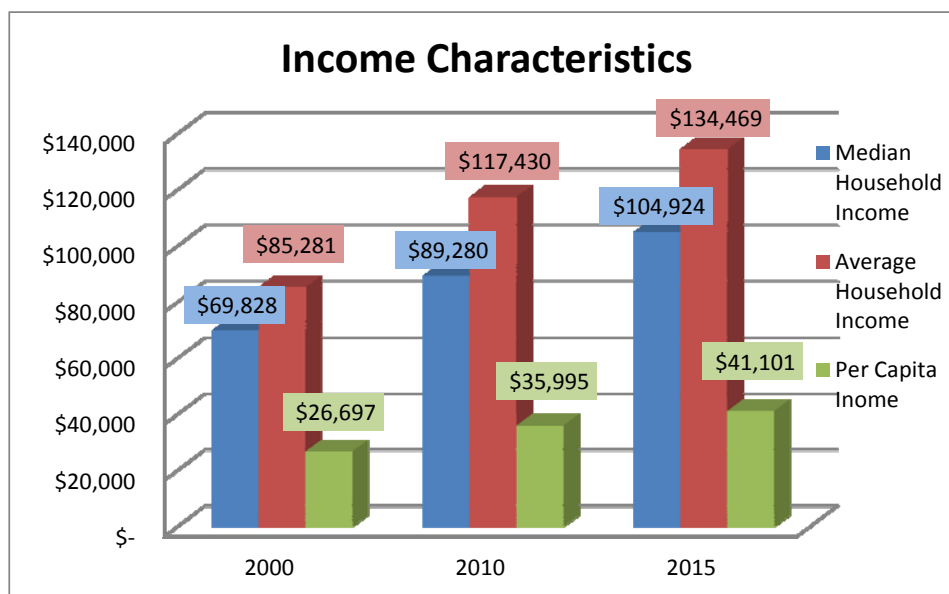


Figure 2 - Income Characteristics

Household spending on all entertainment and recreation ranks fifth out of fourteen categories, accounting for 5.0% of total expenditures. On average, entertainment and recreation spending accounts for approximately \$5,581 of the total household budget. The index for Entertainment / Recreation is 173 indicates that it is higher than national averages. However, one must also keep in mind that one of the reasons for the higher index is also the average cost of living in the area.

3.4 SUPPLY SIDE

In today's virtually connected world, any recreation service faces competition from a myriad of online and offline offerings. Thus, it would be realistic to assume that Family Camp does compete with a variety of direct and indirect providers. However, for the sake of this study only direct competitors within a realistic geographic area have been considered.

The data for the supply side has been utilized from the Family Camp Business Plan which looked at other family camp fee offerings in the Sierra Nevada Mountains and tent rentals in Yosemite National Park. The direct competitors for Family Camp include:

San José Family Camp Competitors	
Berkeley's Tuolumne Camp	City of Oakland's Feather River Camp
San Francisco's Camp Mather	Camp Sacramento
Evergreen Lodge in Yosemite	Camp Concorde
Lair of the Golden Bear Camp (Cal Alumni Association)	Camp Tawonga

Berkeley's Tuolumne Camp has been operating since 1922. The Camp is on 14.5 acres of leased land from the U.S. Forest Service near the west entrance to Yosemite National Park. The South Fork of the Tuolumne River runs through this camp, which provides 76 platform-tents, similar to Family Camp, with food service being provided by camp staff in a central hall. The camp is approximately five miles southeast of Family Camp.



San Francisco's Camp Mather began when the City erected workers housing for the crew building the O'Shaughnessy Dam. Adjacent to the workers' camp, the Yosemite Park and Curry Company built a facility to house tourists interested in seeing Yosemite National Park and/or the construction of the O'Shaughnessy Dam. San Francisco families began using the



former worker's camp for summer recreation. In the mid 1920's, the City of San Francisco designated the City owned property under the Ranker Act of 1913 by the U.S. Congress, which permitted the construction of the O'Shaughnessy Dam to supply water to San Francisco, for use as a family recreational area. This site currently rents a mixture of cabins and tents and is located approximately 10.5 miles northeast of Family Camp.

The Cal Alumni Association opened the **Lair of the Golden Bear Camp** in 1949, near Pinecrest, California. It provides platform-tents like Family Camp; with restrooms buildings located just steps away from the tent structures. This facility consists of three smaller camp facilities with three separate dining facilities.



The City of Oakland's **Feather River Camp** was founded in 1924 on federal land under a long-term lease agreement with the U.S. Forest Service. For many years, campers arrived to this camp on the famous Zephyr train. Through the train no longer stops at Feather River, the sounds of trains are still heard, as trains move through the camp.



In 2003, Camp in Common, a small non-profit corporation was formed to operate the camp, which provides 70 tents and serves three buffet style meals pre day in a central dining hall, very much like San José's Family Camp.

Camp Concord is located in the South Lake Tahoe area. This camp provides 28 rustic cabins and can sleep between 5 to 8 persons. These cabins have conveniently accessible to separate restroom and laundry facilities. Meals are served three times a day in the central dining hall



Camp Sacramento is a permittee of the Eldorado National Forest (U.S. Forest Service). The camp is on 14 acres near Twin Bridges, California. There are 61 cabins dating back to the 1930's of various sizes scattered throughout the property. Three meals a day are served cafeteria-style in a central dining hall.



Evergreen Lodge is an historic Yosemite hotel, nestled in the woods boarding Yosemite National Park near the Hetch-Hetchy Reservoir. The Lodge, located on private property, provides fully-furnished cabins with bathrooms, tents for two and four persons are also available as an alternative to the cabins. The Lodge provides a recreational center for indoor table games and a general store/gift shop. For an additional fee, it also provides tours to Yosemite National Park. Yosemite National Park has three tent camping accommodations;

319 tents at Curry Village on the Valley Floor, 266 tents at Housekeeping Camp, also on the Valley Floor, and 69 tents in Tuolumne Meadows. Campers either have to bring, or purchase food for meals at an additional cost. Evergreen Lodge is approximately nine miles northeast of Family Camp.



Camp Tawonga is a religious base camp to help children become both more self-reliant and more committed contributors to their religious community. It also provides a similar camp experience to San José Family Camp on selected weekends during the warmer months of the year. It is located approximately six miles northeast of San José Family Camp.



In reviewing fees from Berkeley Family Camp, San Francisco Mather Camp, Lair of the Golden Bear, Oakland Feather River Camp, Camp Sacramento and Camp Concord, the average nonresident rates are used as the amounts a resident from San José would have to pay at these facilities for a tent bunk and three prepared meals per day.

Note: All the fees stated below are from the last completed year 2010 with the only exception being San José fee which has the City's 2011 resident fees since Family Camp was closed in 2010 for repairs to the dining hall.

Facility—Age Category		# of Tents	Daily Rate	Daily Rate	Food Rate	Daily Total
Rates for One Person		Ages	Residents	Non-Res.	If Extra	Non-Res.
			Per Person	Per Person	Per Person	Per Person
Berkeley Family Camp		76 Tents				
	Adults	15 & Older	\$98	\$101	Included	\$101
	Teens	NA	NA	NA	NA	NA
	Youths	7 -14	\$65	\$70	Included	\$70
	Children	3 - 6	\$48	\$54	Included	\$54
	Infants	Under 3	Free	Free	Free	Free

Facility—Age Category		# of Tents	Daily Rate	Daily Rate	Food Rate	Daily Total
Rates for One Person		Ages	Residents	Non-Res.	If Extra	Non-Res.
			Per Person	Per Person	Per Person	Per Person
San Francisco Mather Camp		Tent Sites				
	Adults	13 & Older	\$31	\$41	\$33	\$74
	Teens	NA	NA	NA	NA	NA
	Youths	2 - 12	\$31	\$41	\$17	\$58
	Children	NA	NA	NA	NA	NA
	Infants	Under 2	Free	Free	Free	Free
Lair of the Golden Bear (UC)		196 Tents				
	Adults (M-F/S&S)	18 & Older	\$110	\$110	Included	\$110
	Teens	13 - 17	\$90	\$90	Included	\$90
	Youths	5 - 12	\$70	\$70	Included	\$70
	Children	2 - 4	\$50	\$50	Included	\$50
	Infants	Under 2	Free	Free	Free	Free

Facility—Age Category		# of Tents	Daily Rate	Daily Rate	Food Rate	Daily Total
Rates for One Person		Ages	Residents	Non-Res.	If Extra	Non-Res.
			Per Person	Per Person	Per Person	Per Person
Oakland's Feather River		70 Tents				
	Adults	18 & Older	\$70	\$70	Included	\$70
	Teens	13 - 17	\$65	\$65	Included	\$65
	Youths	6 - 12	\$60	\$60	Included	\$60
	Children	2 - 5	\$45	\$45	Included	\$45
	Infants	Under 2	Free	Free	Free	Free
Camp Sacramento (5 nights)		59 Cabins				
	Adults	16 & Older	\$91	\$110	Included	\$110
	Teens	11 - 15	\$67	\$80	Included	\$80
	Youths	6 - 10	\$48	\$60	Included	\$60
	Children	3 - 5	\$26	\$30	Included	\$30
	Infants	Under 3	Free	Free	Free	Free

Facility—Age Category		# of Tents	Daily Rate	Daily Rate	Food Rate	Daily Total
Rates for One Person		Ages	Residents	Non-Res.	If Extra	Non-Res.
			Per Person	Per Person	Per Person	Per Person
Camp Concord		28 Cabins				
	Adults	16 & Older	\$63/\$66	\$67/\$71	Included	\$67/\$71
	Teens	9 -15	\$50/\$55	\$58/\$61	Included	\$58/\$61
	Youths	4 - 8	\$40/\$43	\$45/\$48	Included	\$45/\$48
	Children	NA	NA	NA	NA	NA
	Infants	Under 4	Free	Free	Free	Free
Evergreen Lodge						
	Couples Tents for 2		NA	\$35*	Extra - \$63**	\$98
	Family Tents for 4		NA	\$25*	Extra - \$63**	\$88

City of San José Family Camp Fees - 2011

Facility—Age Category		# of Tents	Daily Rate	Daily Rate	Food Rate	Daily Total
Rates for One Person		Ages	Residents	Non-Res.	If Extra	Resident.
			Per Person	Per Person	Per Person	Per Person
San José Family Camp		70 Tents				
	Adults	16 & Older	\$70	\$92	Included	\$70
	Teens	10-15	\$53	\$73	Included	\$53
	Youths	6 -9	\$40	\$52	Included	\$40
	Children	3 - 6	\$28	\$37	Included	\$28
	Infants	Under 3	Free	Free	Free	Free

3.5 DEMAND SIDE

The Consulting team worked with the Department staff to develop a set of participatory maps depicting density of users for the Family Camp. This data is from the last full year of operation - 2009. Registrant participation data by zip code was provided by staff for PROS analysis.

A total of three maps were produced showing participation densities within the San José region, the area representing those zip codes with 25 or more participants, and zip codes within the State of California with registrants. Further map analysis demonstrates the top participatory zip codes and participation percentage.

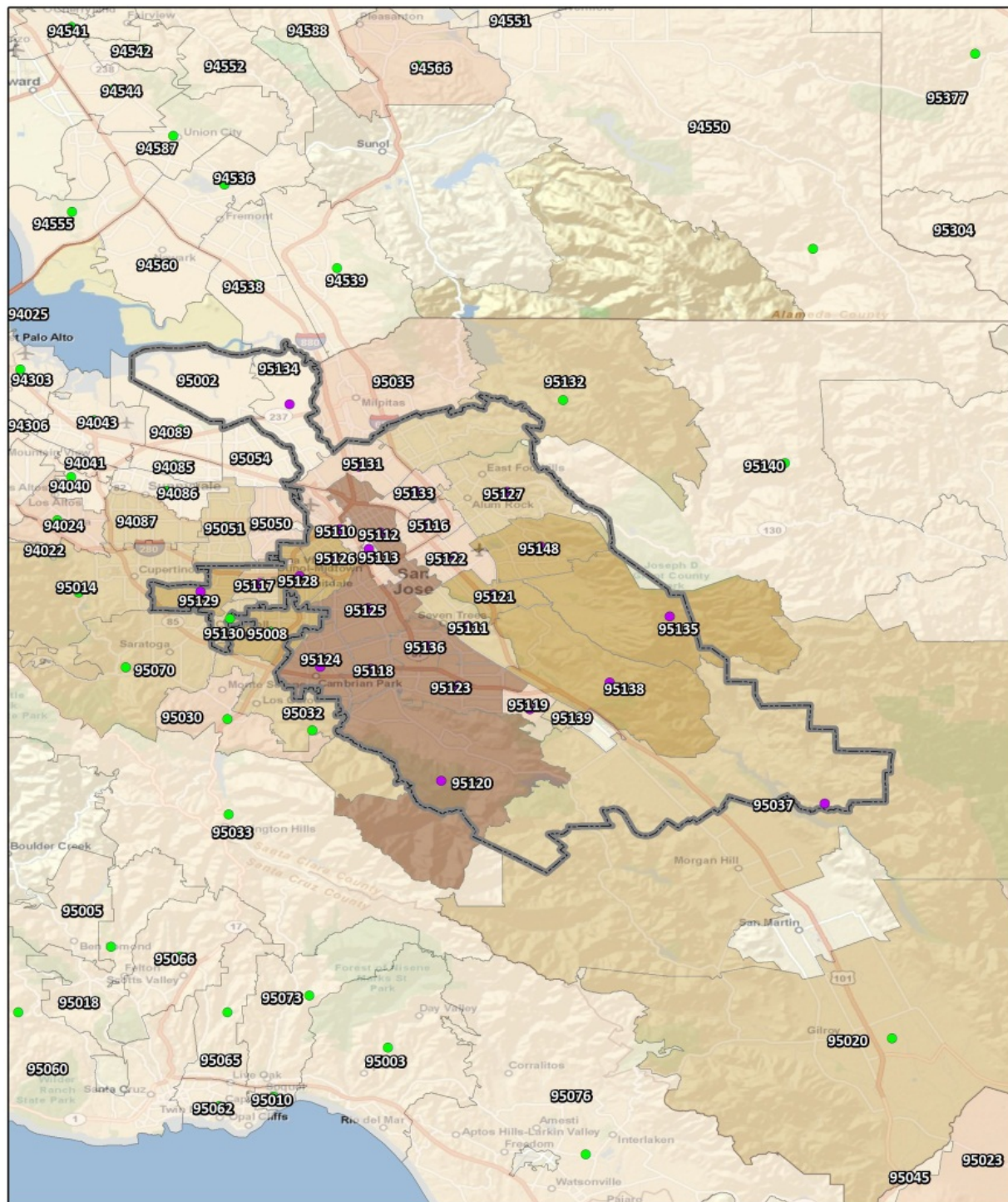
The 2009 zip code data was joined in ESRI ArcMap utilizing the 2010 Census Zip Codes. The total number of participants for each zip code with usage were then analyzed and categorized into similar groupings for display and broken into the 3 regions.

Overall there were a total of 3,710 participants in the 2009 summer session, of which 3,067 were matched to correct zip codes and geocoded within the system. The Consulting team made assumptions based on data limitations include that zip codes not matching the 2010 Census Zip Code Area values were input via Scribner error. Furthermore it is assumed that all persons within a zip code that is included within the City limits are tallied into the total for the city.

Within the City Limits there were 2,115 participants (registrants) or 69% total. The top 10 zip codes from within the City are demonstrated within **Figure 3**. The second map (see **Figure 4**) demonstrates the micro-level detail of the Family Camp participation. Within this map it shows that the bulk of the Camp Participants are from within the City of San José itself, with nearly the entire depicted area shown as having at least 1 to 9 Registrants.

Rank	Zip	Registrants
1	95120	258
2	95124	257
3	95125	248
4	95123	171
5	95118	146
6	95136	120
7	95112	116
8	95128	89
9	95135	78
10	95129	77

Figure 3 - Top 10 Zip Codes by
Registrants in San Jose



Total San Jose Area Participation by Zip Code for San Jose Family Camp 2009



Figure 4 - San Jose Participation by Zip Code

Overall within the San José Area those zip codes with 25 or more registrants are shown in **Figure 6**. These Zip codes represent the densest areas of participation or those areas most likely to have repeat users. **Figure 5** demonstrates zip codes by rank and count. Analysis of the map shows that the all zip codes with at least 25 people are within the San José Area.

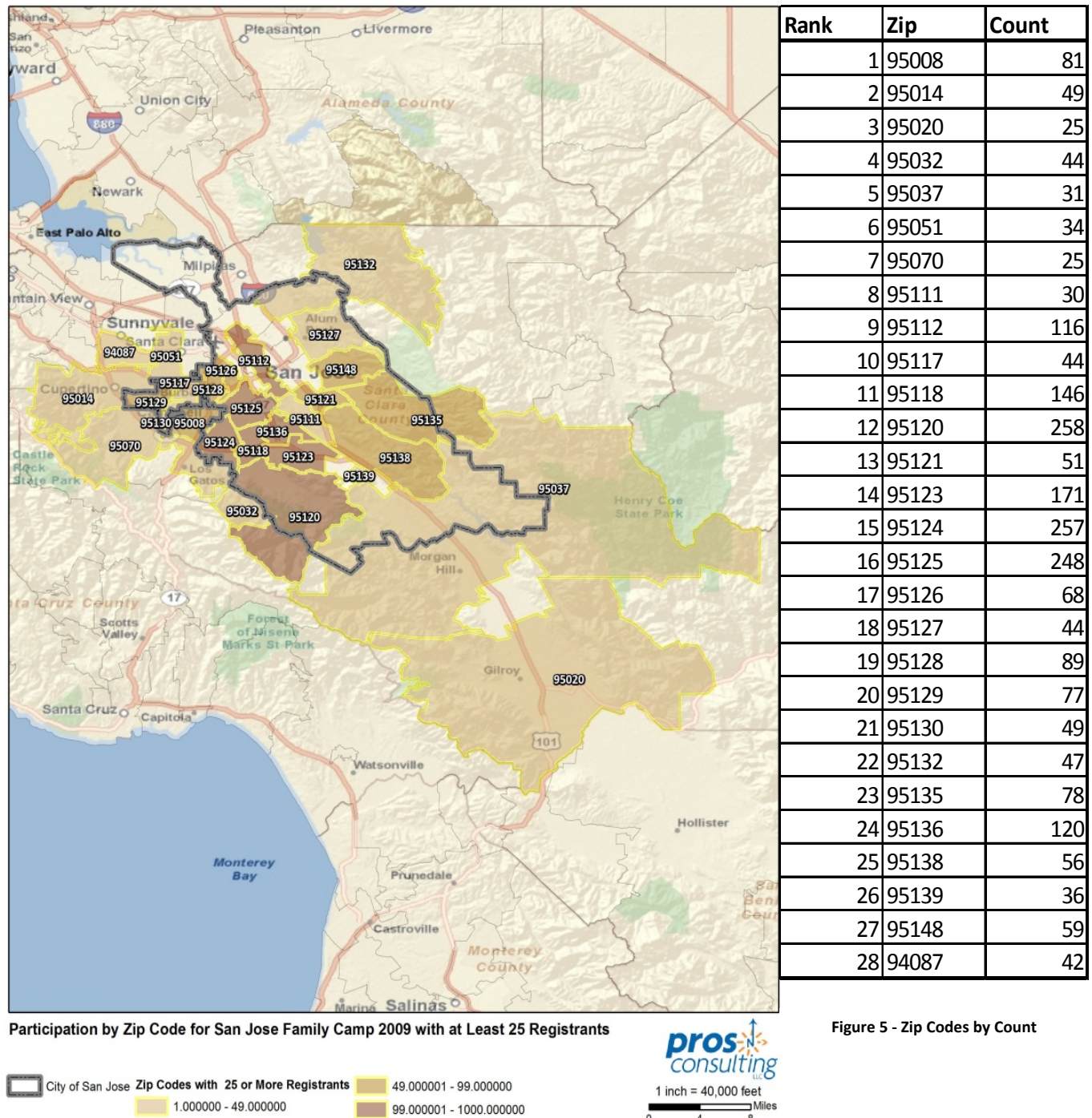


Figure 5 - Zip Codes by Count

Figure 6 - Zip Codes with at least 25 Registrants

When comparing the San José region to that of the state of California, the map and data shows the bulk of usage is from the San José area. However with the geographic location of San José Family Camp being located away from the city centroid by a large distance, it is reasonable that participants would be from all over the state. **Figure 7** depicts the zip codes of participants who live within the State of California. While this data does not demonstrate macro densities at this level (69% of the total participants are from within the City of San José) it does show the reach of the other participants across the state.



Figure 7 - Locational Dispersal of Registrants

Key Findings from User Origin Data:

- 69% of Family Camp registrants are San José residents
- All participant zip codes with at least 25 people are within the San José Area.
- Highest concentrations of people are coming from the south and southwest of the city centroid and to the eastern portions of the city of San José
- Overall, 99% of the camps users come from within the State of California and the bulk of the registrants come from the Metropolitan areas of San José, San Francisco and Los Angeles with scattered users from all over the state.
- Zip code 95120 and 95124 draw the largest number of participants (**Figure 5**)

CHAPTER FOUR FINANCIAL ANALYSIS

The project team prepared a financial analysis of the operations, annual capital investment, and the proposed capital improvement plan. The analysis is based on the budget for the camp's 2011 season and the proposed capital improvement plan.

4.1 FINANCIAL OPERATION ASSUMPTIONS

The analysis is based on the adjusted 2011 season budget for a full season of operation, the proposed capital improvement plan, and projected changes for future years. The operating revenues and expenditures were developed by staff based on information from previous years as indicated the Business Plan

The 2011 season did not include pre-season sessions due to repairs to the Dining Hall for a total loss of 1,600 visitor nights. The 2011 season is estimated to include 11,900 visitor nights.

The projected number of visitor nights for the 2012 season is 14,000. A visitor night is one person staying one night at the camp. The projected changes include:

- Annual increases in camping revenues of 1.5% year over year
- Annual increases in retail revenues of 10%
- Annual increases in visitors of 2% year over year
- Annual increases in expenditures of 2% year over year

4.2 REVENUES

The projected Camp revenues for the 2011 through 2020 seasons based on the assumptions are shown in **Figure 8**.

	2011	2012	2013	2014	2015
Revenues					
Camp	\$ 675,000	\$ 702,400	\$ 727,195	\$ 752,865	\$ 779,441
Retail	25,000	28,050	31,472	35,312	39,620
Total Camp Revenues	\$ 700,000	\$ 730,450	\$ 758,667	\$ 788,176	\$ 819,061
	2016	2017	2018	2019	2020
Revenues					
Camp	\$ 806,955	\$ 835,441	\$ 864,932	\$ 895,464	\$ 927,074
Retail	\$ 44,453	\$ 49,877	\$ 55,962	\$ 62,789	\$ 70,449
Total Camp Revenues	\$ 851,408	\$ 885,317	\$ 920,893	\$ 958,253	\$ 997,523

Figure 8 – Estimated Camp Revenues

4.3 OPERATING EXPENDITURES

The projected operating expenditures for the 2011 through 2020 seasons based on the budget assumptions are shown in **Figure 9**.

	2011	2012	2013	2014	2015
Expenditures					
Personnel - Wages	\$ 284,456	\$ 291,596	\$ 298,915	\$ 306,418	\$ 314,109
Personnel - Benefits	70,805	72,582	74,404	76,272	78,186
Utilities & Utilities: Other	31,100	31,722	32,356	33,004	33,664
Supplies /Materials - Non Food	35,668	36,381	37,109	37,851	38,608
Supplies /Materials - Food	140,122	142,924	145,783	148,699	151,673
City Stores	3,000	3,060	3,121	3,184	3,247
Recreational Services	3,710	3,784	3,860	3,937	4,016
Communication - Telephone	2,400	2,448	2,497	2,547	2,598
Communication - Postage	1,000	1,020	1,040	1,061	1,082
Printing/Advertising/Copier	2,200	2,244	2,289	2,335	2,381
Rent: Equipment & Vehicles	500	510	520	531	541
Mileage Reimbursement	1,200	1,224	1,248	1,273	1,299
City Vehicle Operating Costs	4,300	4,386	4,474	4,563	4,654
Professional & Consultant Services	4,000	4,080	4,162	4,245	4,330
Building Maintenance & Repairs	2,600	2,652	2,705	2,759	2,814
U.S. Forest Lease	SEE NOTE	SEE NOTE	54,000	55,890	57,846
Transient Occupancy Tax (TOT)	30,000	30,600	31,212	31,836	32,473
Sales Tax	4,000	4,080	4,162	4,245	4,330
Total Camp Direct Expenses	\$ 621,061	\$ 635,294	\$ 703,857	\$ 720,648	\$ 737,851
	2016	2017	2018	2019	2020
Expenditures					
Personnel - Wages	\$ 321,993	\$ 330,075	\$ 338,360	\$ 346,853	\$ 355,559
Personnel - Benefits	80,148	82,160	84,222	86,336	88,503
Utilities & Utilities: Other	34,337	35,024	35,724	36,439	37,167
Supplies /Materials - Non Food	39,380	40,168	40,971	41,791	42,627
Supplies /Materials - Food	154,706	157,800	160,956	164,175	167,459
City Stores	3,312	3,378	3,446	3,515	3,585
Recreational Services	4,096	4,178	4,262	4,347	4,434
Communication - Telephone	2,650	2,703	2,757	2,812	2,868
Communication - Postage	1,104	1,126	1,149	1,172	1,195
Printing/Advertising/Copier	2,429	2,478	2,527	2,578	2,629
Rent: Equipment & Vehicles	552	563	574	586	598
Mileage Reimbursement	1,325	1,351	1,378	1,406	1,434
City Vehicle Operating Costs	4,748	4,842	4,939	5,038	5,139
Professional & Consultant Services	4,416	4,505	4,595	4,687	4,780
Building Maintenance & Repairs	2,871	2,928	2,987	3,046	3,107
U.S. Forest Lease	59,871	61,966	64,135	66,380	68,703
Transient Occupancy Tax (TOT)	33,122	33,785	34,461	35,150	35,853
Sales Tax	4,416	4,505	4,595	4,687	4,780
Total Camp Direct Expenses	\$ 755,477	\$ 773,535	\$ 792,038	\$ 810,996	\$ 830,421
NOTE: Lease Payments are included in Annual Capital Appropriations for 2011 and 2012 Seasons.					

Figure 9 – Estimated Total Direct Camp Expenditures

4.4 RESULTS OF DIRECT REVENUES AND DIRECT EXPENDITURES

The projected results of Direct Revenues and Direct Expenditures for 2011 through 2020 seasons are based on the budget assumptions as shown in **Figure 8** and the expenditures in **Figure 9**. The Direct Revenues and Direct Expenditures impact the City's General Fund regarding cost recovery of providing a camping facility in the Sierra Nevada Mountain Range for residents of San José. The estimated revenues exceed the direct camp expenditures for each year through improved marketing and adjusting the camp fees. Beginning in 2013, the lease payment to the U.S. Forest Service should be charged against the Camp revenues, thus freeing current capital funds now used for the lease payment to underwrite Camp improvements as indicated in the 2010/2011 Camp Master Plan. The 2011 and 2012 Season Revenues would exceed the Direct Camp Expenditures if the Lease payments were included.

	2011	2012	2013	2014	2015
Direct Camp Revenues	\$ 700,000	\$ 730,450	\$ 758,667	\$ 788,176	\$ 819,061
Direct Camp Expenditures	\$ 621,061	\$ 635,294	\$ 703,857	\$ 720,648	\$ 737,851
Revenues Over (Under) Direct and	\$ 78,939	\$ 95,156	\$ 54,810	\$ 67,528	\$ 81,209
Visitor Nights	11,900	14,000	14,280	14,566	14,857
Income (Subsidy) Per Visitor Night	\$ 6.63	\$ 6.80	\$ 3.84	\$ 4.64	\$ 5.47
Cost Recovery	113%	115%	108%	109%	111%

	2016	2017	2018	2019	2020
Direct Camp Revenues	\$ 851,408	\$ 885,317	\$ 920,893	\$ 958,253	\$ 997,523
Direct Camp Expenditures	\$ 755,477	\$ 773,535	\$ 792,038	\$ 810,996	\$ 830,421
Revenues Over (Under) Direct and	\$ 95,932	\$ 111,782	\$ 128,855	\$ 147,257	\$ 167,102
Visitor Nights	15,154	15,457	15,766	16,082	16,403
Income (Subsidy) Per Visitor Night	\$ 6.33	\$ 7.23	\$ 8.17	\$ 9.16	\$ 10.19
Cost Recovery	113%	114%	116%	118%	120%

Figure 10 – Direct Camp Revenues and Direct Camp Expenditures

4.4 ANNUAL CAPITAL APPROPRIATIONS

The projected annual capital appropriations for the 2011 through 2020 seasons are based on the assumptions that the City will continue to allocate the current amount of the City's Construction and Conveyances Tax (C&C) funds (Non-General Fund Revenues) to Family Camp are shown in **Figure 11**. Over a 10 year period, these capital allocations would provide approximately \$500,000 toward improvements to the Camp's infrastructure.

	2011	2012	2013	2014	2015
Annual Capital Appropriations					
Family Camp Lease	\$ 54,000	\$ 54,000	\$ -	\$ -	\$ -
Family Camp Master Plan	\$ 60,000	\$ -	\$ -	\$ -	\$ -
Family Camp Volunteer Assistance	\$ 30,000	\$ -	\$ -	\$ -	\$ -
Renovations	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Total Annual Capital Appropriations	\$ 174,000	\$ 84,000	\$ 30,000	\$ 30,000	\$ 30,000
	2016	2017	2018	2019	2020
Annual Capital Appropriations					
Family Camp Lease	\$ -	\$ -	\$ -	\$ -	\$ -
Family Camp Master Plan	\$ -	\$ -	\$ -	\$ -	\$ -
Family Camp Volunteer Assistance	\$ -	\$ -	\$ -	\$ -	\$ -
Renovations	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Total Annual Capital Appropriations	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000

Figure 11 –Annual Capital Appropriations

4.4 RESULTS OF DIRECT REVENUES, DIRECT EXPENDITURES AND ANNUAL CAPITAL APPROPRIATIONS

The projected results of Direct Revenues, Direct Expenditures and Annual Capital Appropriations for 2011 through 2020 seasons are shown in **Figure 12**. The estimated revenues exceed the direct camp expenditures for each year after the 2011 Season.

	2011	2012	2013	2014	2015
Direct Camp Revenues	\$ 700,000	\$ 730,450	\$ 758,667	\$ 788,176	\$ 819,061
Direct Camp Expenditures	\$ 621,061	\$ 635,294	\$ 703,857	\$ 720,648	\$ 737,851
Annual Capital Appropriations	\$ 174,000	\$ 84,000	\$ 30,000	\$ 30,000	\$ 30,000
Revenues Over (Under) Direct Revenues and Expenditures and Annual Capital Appropriations	\$ (95,061)	\$ 11,156	\$ 24,810	\$ 37,528	\$ 51,209
Visitor Nights	11,900	14,000	14,280	14,566	14,857
Income (Subsidy) Per Visitor Night	\$ (7.99)	\$ 0.80	\$ 1.74	\$ 2.58	\$ 3.45
Cost Recovery	88%	102%	103%	105%	107%
	2016	2017	2018	2019	2020
Direct Camp Revenues	\$ 851,408	\$ 885,317	\$ 920,893	\$ 958,253	\$ 997,523
Direct Camp Expenditures	\$ 755,477	\$ 773,535	\$ 792,038	\$ 810,996	\$ 830,421
Annual Capital Appropriations	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Revenues Over (Under) Direct Revenues and Expenditures and Annual Capital Appropriations	\$ 65,932	\$ 81,782	\$ 98,855	\$ 117,257	\$ 137,102
Visitor Nights	15,154	15,457	15,766	16,082	16,403
Income (Subsidy) Per Visitor Night	\$ 4.35	\$ 5.29	\$ 6.27	\$ 7.29	\$ 8.36
Cost Recovery	108%	110%	112%	114%	116%

Figure 12 – Direct Camp Revenues, Direct Camp Expenditures, and Annual Capital Appropriations

4.5 ANNUAL CAPITAL TENT SURCHARGE

The Department is proposing a capital surcharge to support environment improvements to the Family Camp. The projected revenues from a \$20 capital surcharge on each tent per night during the regular session of Family Camp and \$20 per weekend tent rental associated with the pre-season and post-season uses beginning in 2014 could generate \$66,000 per year, or \$462,000 during the next 10 years. These new funds could be used to fund the environmental land management work required by the U.S. Forest Service.

4.6 CAPITAL IMPROVEMENT PLAN ALTERNATIVES

Four capital improvement plan scenarios alternatives were developed as part to the 2010/11 Draft Master Plan process to present Family Camp development options. The four scenarios Alternatives are shown in **Figure 13**.

Alternatives	Description of Alternatives	Size of Dining Hall
Scenario Alternatives 1	Base Capital Improvements, Repairs, and New Dining Hall (One Story)	Original Footprint
Scenario Alternatives 2	Base Capital Improvements, Repairs, and New Dining Hall (Two Story) with a Nature Center, Solar Carports, a Garage and Winterization of the Facilities	Original Footprint
Scenario Alternatives 3	Base Capital Improvements, Repairs, and New Dining Hall (Two Story) with a Nature Center, Solar Carports, a Garage and Winterization of the Facilities	Bigger Footprint
Scenario Alternatives 4	Close & Remove Improvements	N/A

Figure 13 Capital Improvement Scenarios

The capital improvement costs specific to Alternative 1, 2, 3 and 4 are shown in **Figure 14** and reflect the differences in Dining Hall improvements and the solar carports, caretaker's garage and winterization work for year round use at \$1.5 million in Alternative 2 and 3 in the enhancement column. Alternative 4 costs were estimated by the City's at approximately \$16,000,000 to remove the existing Camp improvements and return to site to a pristine condition. The details of the capital improvement plan are shown in the Appendix.

Alternative	Dining Hall Costs	Enhancement Costs	Base Capital Cost (20 Years)	Total
Alternative 1	\$4,080,000	\$0	\$5,760,000	\$9,840,000
Alternative 2	\$7,680,000	\$1,500,000	\$5,760,000	\$14,940,000
Alternative 3	\$9,000,000	\$1,500,000	\$5,760,000	\$16,260,000
Alternative 4	\$0	\$0	\$15,950,000	\$15,950,000

Figure 14 – Capital Improvement Alternatives

The operating results for Alternatives 1, 2 and 3 are presented below in **Sections 4.7, 4.8, and 4.9**. The differences relate to the Dining Hall and Nature Center capital improvements. Alternative 4 does not include operations and assumes that the camp is permanently closed.

4.7 ALTERNATIVE 1 – CAPITAL CASHFLOWS AND SUBSIDY

The major difference with Alternative 1 is the dining hall replacement costs. The One Story Dining Hall Replacement Project is estimated to cost \$4,080,000 to design and construct over four years. The first two years of the project will fund the design, construction permitting and bidding for the project. The last two years will fund the construction of the new Dining Hall. In order to award a contract to construct the new Dining Hall will require the City to fund such a building contract in the first year of construction. The projected timing the dining hall replacement costs are shown in **Figure 15**.

Description	2015	2016	2017	2018
Dining Hall Capital Requirements	\$500,000	\$380,000	\$2,700,000	\$500,000
Use of Funds	Design	Permits/Bidding	Contract	Completion

Figure 15 – Alternative 1 – Dining Hall Replacement Project Details

The financial results for Alternative 1 from the 2011 through 2020 are shown in **Figure 16**.

	2011	2012	2013	2014	2015
Capital Revenues & Allocations					
C&C Annual Allocations	\$ 164,000	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000
Tent Surcharge	0	0	0	66,000	66,000
Total Capital Revenues	164,000	104,000	104,000	170,000	170,000
Capital Expenditures					
Base Expenditures	\$ 164,000	\$ 300,000	\$ 350,000	\$ 350,000	\$ 350,000
Dining Hall Project	0	0	0	0	500,000
Total Capital Costs	164,000	300,000	350,000	350,000	850,000
Capital Revenues Over (Under)					
Capital Expenditures	\$0	\$ (196,000)	\$ (246,000)	\$ (180,000)	\$ (680,000)
Operating Revenues Over					
Expenditures Available for Capital Expenditures	0	11,156	24,810	37,528	51,209
Capital Subsidy	\$0	\$ (184,844)	\$ (221,190)	\$ (142,472)	\$ (628,791)
	2016	2017	2018	2019	2020
Capital Revenues & Allocations					
C&C Annual Allocations	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000
Tent Surcharge	66,000	66,000	66,000	66,000	66,000
Total Capital Revenues	170,000	170,000	170,000	170,000	170,000
Capital Expenditures					
Base Expenditures	\$ 350,000	\$ 200,000	\$ 200,000	\$ 215,000	\$ 215,000
Dining Hall Project	380,000	2,700,000	500,000	0	0
Total Capital Costs	730,000	2,900,000	700,000	215,000	215,000
Capital Revenues Over (Under)					
Capital Expenditures	\$ (560,000)	\$ (2,730,000)	\$ (530,000)	\$ (45,000)	\$ (45,000)
Operating Revenues Over					
Expenditures Available for Capital Expenditures	65,932	81,782	98,855	117,257	137,102
Capital Subsidy	\$ (494,068)	\$ (2,648,218)	\$ (431,145)	\$ 72,257	\$ 92,102

Figure 16 – Alternative 1 – Capital Plan Results

Key points for Alternative 1 include:

- The capital costs exceed the annual capital allocations for each year through 2018
- The Camp will require additional capital funding in order to make the improvements associated with this Alternative as noted in the 2010/11 Master Plan and in **Figure 16**
- For the 2011 through the 2020 Seasons, the Camp will require \$4.6 million in capital subsidy.
- The average annual capital subsidy is \$506,369 for all improvements
- For the 2011 through the 2020 Seasons, the average annual capital subsidy is \$56,263
- The average capital subsidy per visitor night is \$34.73. The average capital subsidy per visitor night without the dining hall is \$3.83. The subsidy per visitor night is the amount of additional City funds that is needed to cover the cost of one visitor for one night

4.8 ALTERNATIVE 2 – CAPITAL CASHFLOWS AND SUBSIDY

The major difference with Alternative 2 is the dining hall replacement and nature center costs. The Two Story Dining Hall Replacement and Nature Center Project on the original building footprint are estimated to cost \$7,680,000 to design and construct over four years. The first two years of the project will fund the design, construction permitting and bidding for the project. The last two years will fund the construction of the new dining hall and nature center. In order to award a contract to construct the new dining hall and nature center will require the City to fund such a building contract in the first year of construction. The projected timing the dining hall replacement and nature center costs are shown in **Figure 17**.

Description	2015	2016	2017	2018
Dining Hall and Nature Center Capital Requirements	\$1,150,000	\$400,000	\$5,360,000	\$770,000
Use of Funds	Design	Permits/Bidding	Contract	Completion

Figure 17 – Alternative 2 – Dining Hall Replacement and Nature Center Project Details

The financial results for Alternative 2 from the 2011 through 2020 are shown in **Figure 18**.

	2011	2012	2013	2014	2015
Capital Revenues & Allocations					
C&C Annual Allocations	\$ 164,000	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000
Tent Surcharge	0	0	0	66,000	66,000
Total Capital Revenues	164,000	104,000	104,000	170,000	170,000
Capital Expenditures					
Base Expenditures	\$ 164,000	\$ 300,000	\$ 350,000	\$ 350,000	\$ 350,000
Dining Hall Project	0	0	0	0	1,150,000
Total Capital Costs	164,000	300,000	350,000	350,000	1,500,000
Capital Revenues Over (Under)					
Capital Expenditures	\$0	\$ (196,000)	\$ (246,000)	\$ (180,000)	\$ (1,330,000)
Operating Revenues Over	0	11,156	24,810	37,528	51,209
Capital Subsidy	\$0	\$ (184,844)	\$ (221,190)	\$ (142,472)	\$ (1,278,791)
	2016	2017	2018	2019	2020
Capital Revenues & Allocations					
C&C Annual Allocations	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000
Tent Surcharge	66,000	66,000	66,000	66,000	66,000
Total Capital Revenues	170,000	170,000	170,000	170,000	170,000
Capital Expenditures					
Base Expenditures	\$ 350,000	\$ 200,000	\$ 200,000	\$ 215,000	\$ 215,000
Dining Hall Project	400,000	5,360,000	770,000	0	0
Total Capital Costs	750,000	5,560,000	970,000	215,000	215,000
Capital Revenues Over (Under)					
Capital Expenditures	\$ (580,000)	\$ (5,390,000)	\$ (800,000)	\$ (45,000)	\$ (45,000)
Operating Revenues Over	65,932	81,782	98,855	117,257	137,102
Capital Subsidy	\$ (514,068)	\$ (5,308,218)	\$ (701,145)	\$ 72,257	\$ 92,102

Figure 18 – Alternative 2 – Capital Plan Results

Key points for Alternative 2 include:

- The capital costs exceed the annual capital allocations for each year through 2018
- The Camp will require additional capital funding in order to make the improvements associated with this Alternative as noted in the 2010/11 Master Plan and in **Figure 18**
- For the 2011 through the 2020 Seasons, the average annual capital subsidy is \$818,637 for all improvements
- For the 2011 through the 2020 Seasons, the average annual capital subsidy is \$56,263
- The average capital subsidy per visitor night is \$61.99. The average capital subsidy per visitor night without the dining hall and other Camp enhancements is \$3.83. The subsidy per visitor night is the amount of additional City funds that is needed to cover the cost of one visitor for one night

4.9 ALTERNATIVE 3 – CAPITAL CASHFLOWS AND SUBSIDY

The major difference with Alternative 3 is the dining hall replacement and nature center costs. The Two Story Dining Hall/Nature Center Replacement Project on the enlarged building footprint is estimated to cost \$9,000,000 to design and construct over four years. In order to award a contract to construct the new dining hall and nature center will require the City to fund such a building contract in the first year of construction. The first two years of the project will fund the design, construction permitting and bidding for the project. The last two years will fund the construction of the new dining hall and nature center. In order to award a contract to construct the new dining hall and nature center will require the City to fund such a building contract in the first year of construction. The projected timing the dining hall replacement and nature center costs are shown in **Figure 19**.

Description	2015	2016	2017	2018
Dining Hall and Nature Center Capital Requirements	\$1,300,000	\$450,000	\$6,350,000	\$900,000
Use of Funds	Design	Permits/Bidding	Contract	Completion

Figure 19 – Alternative 3 – Dining Hall Replacement and Nature Center Project Details

The financial results for Alternative 3 from the 2011 through 2020 are shown in **Figure 20**.

	2011	2012	2013	2014	2015
Capital Revenues & Allocations					
C&C Annual Allocations	\$ 164,000	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000
Tent Surcharge	0	0	0	66,000	66,000
Total Capital Revenues	164,000	104,000	104,000	170,000	170,000
Capital Expenditures					
Base Expenditures	\$ 164,000	\$ 300,000	\$ 350,000	\$ 350,000	\$ 350,000
Dining Hall Project	0	0	0	0	1,300,000
Total Capital Costs	164,000	300,000	350,000	350,000	1,650,000
Capital Revenues Over (Under)					
Capital Expenditures	\$0	\$ (196,000)	\$ (246,000)	\$ (180,000)	\$ (1,480,000)
Operating Revenues Over	0	11,156	24,810	37,528	51,209
Capital Subsidy	\$0	\$ (184,844)	\$ (221,190)	\$ (142,472)	\$ (1,428,791)
	2016	2017	2018	2019	2020
Capital Revenues & Allocations					
C&C Annual Allocations	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000
Tent Surcharge	66,000	66,000	66,000	66,000	66,000
Total Capital Revenues	170,000	170,000	170,000	170,000	170,000
Capital Expenditures					
Base Expenditures	\$ 350,000	\$ 200,000	\$ 200,000	\$ 215,000	\$ 215,000
Dining Hall Project	450,000	6,350,000	900,000	0	0
Total Capital Costs	800,000	6,550,000	1,100,000	215,000	215,000
Capital Revenues Over (Under)					
Capital Expenditures	\$ (630,000)	\$ (6,380,000)	\$ (930,000)	\$ (45,000)	\$ (45,000)
Operating Revenues Over	65,932	81,782	98,855	117,257	137,102
Capital Subsidy	\$ (564,068)	\$ (6,298,218)	\$ (831,145)	\$ 72,257	\$ 92,102

Figure 20 – Alternative 3 – Capital Plan Results

Key points for Alternative 3 include:

- The capital costs exceed the annual capital allocations for each year through 2018
- The Camp will require additional capital funding in order to make the improvements associated with this Alternative as noted in the 2010/11 Master Plan and in **Figure 20**
- For the 2011 through the 2020 Seasons, the average annual capital subsidy is \$950,637 for all improvements
- For the 2011 through the 2020 Seasons, the average annual capital subsidy is \$56,263
- The average capital subsidy per visitor night is \$71.98. The average capital subsidy per visitor night without the dining hall and other Camp enhancements is \$3.83. The subsidy per visitor night is the amount of additional City funds that is needed to cover the cost of one visitor for one night

4.10 ALTERNATIVE 4 – CASHFLOWS AND OPERATING RESULTS

Alternative 4 means permanently closing the Family Camp.

If the City closes the camp, the City is obligated to remove all improvements and leave the land in a natural state. There are no revenues or operating expenditures with this alternative. The City estimated cost to restore the grounds is a one-time cost of \$15,950,000, although that number could vary depending on the specific requirements of the contract removal work stipulated by U.S. Forest Service and/or other regulatory agencies

4.11 SUMMARY OF FINANCIALS

The following is a snapshot of the financial analysis:

- The Family Camp has the potential to achieve a positive cost recovery of direct expenditures through operational efficiency improvements, improved marketing / branding initiatives and regular adjustment of the camper fees
- The Camp revenues over expenditures are sufficient to cover the annual capital requirements
- The Camp revenues cannot cover the extensive capital improvement costs
- City will need to seek augmentation funding from grants, gifts, donations and/or a new park bond to fund capital improvements at Camp.
- The subsidy per visitor night for capital costs is \$34 to \$74 per visitor per night depending on the selected capital improvement alternative

CHAPTER FIVE - RECOMMENDATIONS

5.1 DECISION MATRIX

The recommendations for Family Camp are provided below in a decision-matrix that illustrates the process the City leadership must undertake in determining the future course of action.

- The first decision for City is to determine if making a minimum \$9 million investment in the Family Camp over the next 20 years to serve approximately 5,000 visitors or 15,000 visitor nights per year is best for the residents of the City of San José. Family Camp fee revenues cannot cover the total cost of the capital improvements.
- The alternate is to fund the approximately \$16 million to remove the Camp improvements, or seek another entity to take over ownership of the Camp facilities from the City.
- If City decides to continue the operations of the Family Camp, then it must continue to seek and implement opportunities to improve the direct costs and revenues through operating efficiencies, partnerships, volunteerism, contracting services and better marketing/branding initiatives.

5.2 OPERATING RECOMMENDATIONS

Alternatively, the Consulting Team has also provided operating recommendations should the City decide to continue operating the Family Camp:

- Rebrand the San José Family Camp to capitalize on its strategic location vis- a- vis proximity to the Yosemite National Park.
 - A suggested option is the San José Yosemite Family Camp or the San José Family Camp at Yosemite
- The City could consider an Alternative that includes contracting all or most of the operations to a recreation vendor to minimize the annual operating costs, including the City indirect cost factor. The City would however, still be responsible for the capital improvement costs.
- A potential partner in that case could be organizations such as Aramark Parks and Destinations. They are an organization that seeks to enhance the guest experience by offering hospitality options, environmental stewardship, recreational, and interpretive programs.
 - An example is the partnership at Denali National Park, AK between National Park Service (NPS) and its authorized concessionaire Doyon / Aramark. They provide hospitality services such as operating bus tours, park shuttles, food and beverage outlets, campgrounds and retail outlets within Denali National Park & Preserve.



- Another example is the partnership with US Forest Service at Olympic National Park, WA where Aramark operates and manages the lodges under special permit from USFS.
 - They also partner with California State Parks, National Parks Conservation Association and Student Youth Travel Association among others
- An alternate partnership model could be working with national Not-for-Profit Groups to operate the Family Camp
 - California State University, Chico also used to run a program for USFS which was very successful
- Based on the Request for Information (RFI) issued by the City of San José, there are preliminary indications of some parties interested in pursuing a dialogue to identify partnership opportunities for operations and / or retail as well. However, as mentioned, these discussions are at a very early stage.
- Modify fee structure to better reflect differential pricing strategies and be on par with market rates
- Create non-fee generated revenue streams
 - Simultaneously, it would be beneficial to create a Foundation dedicated to fundraising for Family Camp as a whole or for special projects (such as the Dining Hall). The primary objective would be to reach out to individuals who have an emotional connection to Family Camp and are personally invested in ensuring its legacy is protected.
 - Identify sponsors such as local businesses or Yosemite vendors who would also have the Family Camp visitors as their target audience
- Evaluate expanded programming
 - Guided tours / Bus tours of Yosemite could be explored
 - X-Games types of events – mountain biking, road racing, bicycling etc. (mini-racing), laser tag, ropes courses
 - Themed camps - theater camp, arts camps, fish camps around non-prime time (contract it out with PRNS Department –e.g. HHPZ has a puppet theater group)
- Expand target markets and capacity available to increase visitation and thus revenues
 - Seek Corporate Groups for retreats and team building activities – ropes courses etc. – particularly in the non-peak season
 - Target Opening day for trout – this will help utilize the shoulder season. There could be a potential to bring in Bass Pro shops or Fish tacos shops etc. to sponsor and support as well

CHAPTER SIX - CONCLUSION

Family Camp holds a special place in the hearts of users ranging from one-timers to those frequenting there for decades. Overall, with increased marketing, enhanced pricing strategies, and increasingly efficient operations, the Family Camp has the ability to recover 100% of the direct expenditures and its annual capital costs. However, the Camp cannot recover a significantly large portion of the capital improvement plan spending that is required to continue operations. The decision to operate Family Camp in the future is truly a question where best and how to spend capital funds.

CHAPTER SEVEN – APPENDIX 1: CAPITAL IMPROVEMENT PLAN ALTERNATIVES

Four capital improvement plan alternatives were developed as part to the 2010/11 Draft Master Plan process to present Family Camp development options. The four Alternatives are:

Alternatives	Description of Scenario	Size
Alternatives 1	Base + Repair All + New Dining Hall (One Story)	Original Footprint
Alternatives 2	Base + Repair All + New Dining Hall (Two Story) with a Nature Center, Solar Carports, a Garage and Winterization of the Facilities	Original Footprint
Alternatives 3	Base + Repair All + New Dining Hall (Two Story) with a Nature Center, Solar Carports, a Garage and Winterization of the Facilities	Bigger Footprint
Alternatives 4	Close & Remove Improvements	N/A

Figure 21 Capital Improvement Scenarios

7.1 CAPITAL IMPROVEMENT PLAN

The Family Camp capital Improvement Plan is shown in **Figure 22** grouped in five-year increments. The Capital Improvement Plan is from the Family Camp Master Plan and includes priorities and five-year increments for the timing and amounts of capital improvements. The priorities are indicated by a one (1) for the highest priority and number through five (5) as the lowest priority. The projects are grouped by type of improvement. The capital improvements are shown by year for the first ten-years in **Figures 23** and **24**. The amounts for the individual years shown in **Figures 23** and **24** are the average of the five-year amounts shown in **Figure 22**.

Project Description	Priority	1-5 years	6-10 years	11-15 years	16-20 years	Project Est. Totals
Required work by the U.S. Forest Service						
Bear Proof Trash Containers and Food Lockers	1	\$120,000	\$10,000	\$10,000	\$10,000	\$150,000
Cultural Resources Protection	1	\$25,000	\$25,000	\$25,000	\$25,000	\$100,000
Reduce Sediment from Sandy Beach to River	1	\$80,000	\$0	\$0	\$0	\$80,000
Erosion Control/Dust Suppression	1	\$30,000	\$20,000	\$20,000	\$20,000	\$90,000
Forest/Vegetation Protection and Enhancements	2	\$20,000	\$20,000	\$20,000	\$20,000	\$80,000
Hazardous Tree Management Program	2	\$55,000	\$25,000	\$25,000	\$25,000	\$130,000
Noxious Weed Management Program	2	\$30,000	\$20,000	\$20,000	\$20,000	\$90,000
Wildfire Protection/Fuel Modification	3	\$0	\$50,000	\$250,000	\$50,000	\$350,000
Amphitheater – Day Light of Stream	4	\$0	\$80,000	\$0	\$0	\$80,000
Estimated Sub-Totals		\$360,000	\$250,000	\$370,000	\$170,000	\$1,150,000
Code/Health and Safety Work						
New Dining Hall Back-Up Generator	1	\$80,000	\$0	\$0	\$0	\$80,000
2nd Potable Water Well	1	\$115,000	\$0	\$0	\$0	\$115,000
Tent Replacements and Platform Repairs	1	\$35,000	\$35,000	\$35,000	\$35,000	\$140,000
ADA Compliance (Tents, Staff Cabins, & A Shed)	2	\$100,000	\$0	\$0	\$0	\$100,000
Amphitheatre Seating/Access	2	\$0	\$130,000	\$0	\$0	\$130,000
Playground (Recreational Items)	3	\$0	\$0	\$120,000	\$0	\$120,000
Pavement Repairs/Drainage Work	3	\$50,000	\$100,000	\$800,000	\$50,000	\$1,000,000
Estimated Sub-Totals		\$380,000	\$265,000	\$955,000	\$85,000	\$1,685,000
Existing Building Repairs/Enhancements						
Camp Restrooms	2	\$100,000	\$100,000	\$500,000	\$100,000	\$800,000
Camp Store	3	\$230,000	\$0	\$0	\$35,000	\$265,000
Sierra Lodge	3	\$230,000	\$0	\$0	\$35,000	\$265,000
Staff Quarters / A Shed	3	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000
Caretakers Residence & Manager Cabin	3	\$50,000	\$0	\$0	\$50,000	\$100,000
Amphitheater Stage Facilities	4	\$0	\$200,000	\$0	\$0	\$200,000
Misc. Other Camp Buildings	4	\$100,000	\$100,000	\$100,000	\$100,000	\$400,000
Estimated Sub-Totals		\$760,000	\$450,000	\$650,000	\$370,000	\$2,230,000
Utilities./Misc. Camp Facilities						
Recreational Facilities	4	\$15,000	\$10,000	\$10,000	\$10,000	\$45,000
River Bridges	4	\$0	\$0	\$50,000	\$150,000	\$200,000
River Improvements / Ford	4	\$100,000	\$50,000	\$50,000	\$50,000	\$250,000
Utilities Improvements	4	\$0	\$25,000	\$0	\$25,000	\$50,000
Electrical Improvements	4	\$25,000	\$0	\$25,000	\$0	\$50,000
Misc. Repairs and Enhancements	4	\$25,000	\$25,000	\$25,000	\$25,000	\$100,000
Estimated Sub-Totals		\$165,000	\$110,000	\$160,000	\$260,000	\$695,000
Camp Enhancements						
Conversion of Caretaker's Carport to Garage	5	\$0	\$0	\$100,000	\$0	\$100,000
Electrical to all Tents	5	\$0	\$0		\$400,000	\$400,000
Solar Carports	5	\$0	\$0		\$400,000	\$400,000
Winterization for Year-Round Use	5	\$0	\$0		\$600,000	\$600,000
Estimated Sub-Totals		\$0	\$0	\$100,000	\$1,400,000	\$1,500,000
Environmental Work per Permit						
		\$360,000	\$250,000	\$370,000	\$170,000	\$1,150,000
Code/Health and Safety Work						
		\$380,000	\$265,000	\$955,000	\$85,000	\$1,685,000
Existing Building Repairs/Enhancements						
		\$760,000	\$450,000	\$650,000	\$370,000	\$2,230,000
Utilities./Misc. Camp Facilities						
		\$165,000	\$110,000	\$160,000	\$260,000	\$695,000
Estimated Sub-Totals		\$1,665,000	\$1,075,000	\$2,135,000	\$885,000	\$5,760,000
		(333,000 / yr)	(215,000 / yr)	(427,000 / yr)	(177,000 / yr)	(288,000 / yr)
Alternative One Dining Hall Replacement						
	2	\$600,000	\$3,480,000	\$0	\$0	\$4,080,000
Alternative One Grand Total		\$2,265,000	\$4,555,000	\$2,135,000	\$885,000	\$9,840,000
Camp Enhancements						
	5	\$0	\$0	\$100,000	\$1,400,000	\$1,500,000
Alternative Two Dining Hall/Nature Center	(2)	\$500,000	\$3,100,000	\$0	\$0	\$3,600,000
Alternative Three Dining Hall/Nature Center	(2)	\$200,000	\$1,120,000	\$0	\$0	\$1,320,000
Estimated Sub-Totals		\$700,000	\$4,220,000	\$100,000	\$1,400,000	\$6,420,000
Grand Totals						
		\$2,965,000.00	\$8,775,000.00	\$2,235,000.00	\$2,285,000.00	\$16,260,000.00

Figure 22 – Family Camp Capital Improvement Plan

Projects	2012	2013	2014	2015	2016
Required work by the U.S. Forest Service					
Bear Proof Trash Containers and Food Lockers	24,000	24,000	24,000	24,000	24,000
Cultural Resources Protection	5,000	5,000	5,000	5,000	5,000
Reduce Sediment from Sandy Beach to River	16,000	16,000	16,000	16,000	16,000
Erosion Control/Dust Suppression	6,000	6,000	6,000	6,000	6,000
Forest/Vegetation Protection and Enhancements	4,000	4,000	4,000	4,000	4,000
Hazardous Tree Management Program	11,000	11,000	11,000	11,000	11,000
Noxious Weed Management Program	6,000	6,000	6,000	6,000	6,000
Wildfire Protection/Fuel Modification	-	-	-	-	-
Amphitheater – Day Light of Stream	-	-	-	-	-
Estimated Sub-Totals	72,000	72,000	72,000	72,000	72,000
Code/Health and Safety Work					
New Dining Hall Back-Up Generator	16,000	16,000	16,000	16,000	16,000
2nd Potable Water Well	23,000	23,000	23,000	23,000	23,000
Tent Replacements and Platform Repairs	7,000	7,000	7,000	7,000	7,000
ADA Compliance (Tents, Staff Cabins, & A Shed)	20,000	20,000	20,000	20,000	20,000
Amphitheatre Seating/Access	-	-	-	-	-
Playground (Recreational Items)	-	-	-	-	-
Pavement Repairs/Drainage Work	10,000	10,000	10,000	10,000	10,000
Estimated Sub-Totals	76,000	76,000	76,000	76,000	76,000
Existing Building Repairs/Enhancements					
Camp Restrooms	20,000	20,000	20,000	20,000	20,000
Camp Store	46,000	46,000	46,000	46,000	46,000
Sierra Lodge	46,000	46,000	46,000	46,000	46,000
Staff Quarters / A Shed	10,000	10,000	10,000	10,000	10,000
Caretakers Residence & Manager Cabin	10,000	10,000	10,000	10,000	10,000
Amphitheater Stage Facilities	-	-	-	-	-
Misc. Other Camp Buildings	20,000	20,000	20,000	20,000	20,000
Estimated Sub-Totals	152,000	152,000	152,000	152,000	152,000
Utilities./Misc. Camp Facilities					
Recreational Facilities	3,000	3,000	3,000	3,000	3,000
River Bridges	-	-	-	-	-
River Improvements / Ford	20,000	20,000	20,000	20,000	20,000
Utilities Improvements	-	-	-	-	-
Electrical Improvements	5,000	5,000	5,000	5,000	5,000
Misc. Repairs and Enhancements	5,000	5,000	5,000	5,000	5,000
Estimated Sub-Totals	33,000	33,000	33,000	33,000	33,000
Camp Enhancements					
Conversion of Caretaker's Carport to Garage	-	-	-	-	-
Electrical to all Tents	-	-	-	-	-
Solar Carports	-	-	-	-	-
Winterization for Year-Round Use	-	-	-	-	-
Estimated Sub-Totals	-	-	-	-	-
Environmental Work per Permit	72,000	72,000	72,000	72,000	72,000
Code/Health and Safety Work	76,000	76,000	76,000	76,000	76,000
Existing Building Repairs/Enhancements	152,000	152,000	152,000	152,000	152,000
Utilities./Misc. Camp Facilities	33,000	33,000	33,000	33,000	33,000
Total Base Capital Improvements	333,000	333,000	333,000	333,000	333,000
Alternative One Dining Hall Replacement	120,000	120,000	120,000	120,000	120,000
Alternative One Grand Total	453,000	453,000	453,000	453,000	453,000
Alternative Two Dining Hall/Nature Center	100,000	100,000	100,000	100,000	100,000
Alternative Three Dining Hall/Nature Center	40,000	40,000	40,000	40,000	40,000
Camp Enhancements	-	-	-	-	-
Estimated Sub-Totals	140,000	140,000	140,000	140,000	140,000
Grand Totals	593,000	593,000	593,000	593,000	593,000

Figure 23 –Family Camp Capital Improvement Plan - Years 2012-2016

Projects	2017	2018	2019	2020
Required work by the U.S. Forest Service				
Bear Proof Trash Containers and Food Lockers	2,000	2,000	2,000	2,000
Cultural Resources Protection	5,000	5,000	5,000	5,000
Reduce Sediment from Sandy Beach to River	-	-	-	-
Erosion Control/Dust Suppression	4,000	4,000	4,000	4,000
Forest/Vegetation Protection and Enhancements	4,000	4,000	4,000	4,000
Hazardous Tree Management Program	5,000	5,000	5,000	5,000
Noxious Weed Management Program	4,000	4,000	4,000	4,000
Wildfire Protection/Fuel Modification	10,000	10,000	10,000	10,000
Amphitheater – Day Light of Stream	16,000	16,000	16,000	16,000
Estimated Sub-Totals	50,000	50,000	50,000	50,000
Code/Health and Safety Work				
New Dining Hall Back-Up Generator	-	-	-	-
2nd Potable Water Well	-	-	-	-
Tent Replacements and Platform Repairs	7,000	7,000	7,000	7,000
ADA Compliance (Tents, Staff Cabins, & A Shed)	-	-	-	-
Amphitheatre Seating/Access	26,000	26,000	26,000	26,000
Playground (Recreational Items)	-	-	-	-
Pavement Repairs/Drainage Work	20,000	20,000	20,000	20,000
Estimated Sub-Totals	53,000	53,000	53,000	53,000
Existing Building Repairs/Enhancements				
Camp Restrooms	20,000	20,000	20,000	20,000
Camp Store	-	-	-	-
Sierra Lodge	-	-	-	-
Staff Quarters / A Shed	10,000	10,000	10,000	10,000
Caretakers Residence & Manager Cabin	-	-	-	-
Amphitheater Stage Facilities	40,000	40,000	40,000	40,000
Misc. Other Camp Buildings	20,000	20,000	20,000	20,000
Estimated Sub-Totals	90,000	90,000	90,000	90,000
Utilities./Misc. Camp Facilities				
Recreational Facilities	2,000	2,000	2,000	2,000
River Bridges	-	-	-	-
River Improvements / Ford	10,000	10,000	10,000	10,000
Utilities Improvements	5,000	5,000	5,000	5,000
Electrical Improvements	-	-	-	-
Misc. Repairs and Enhancements	5,000	5,000	5,000	5,000
Estimated Sub-Totals	22,000	22,000	22,000	22,000
Camp Enhancements				
Conversion of Caretaker's Carport to Garage	-	-	-	-
Electrical to all Tents	-	-	-	-
Solar Carports	-	-	-	-
Winterization for Year-Round Use	-	-	-	-
Estimated Sub-Totals	-	-	-	-
Environmental Work per Permit	50,000	50,000	50,000	50,000
Code/Health and Safety Work	53,000	53,000	53,000	53,000
Existing Building Repairs/Enhancements	90,000	90,000	90,000	90,000
Utilities./Misc. Camp Facilities	22,000	22,000	22,000	22,000
Total Base Capital Improvements	215,000	215,000	215,000	215,000
Alternative One Dining Hall Replacement	696,000	696,000	696,000	696,000
Alternative One Grand Total	911,000	911,000	911,000	911,000
Alternative Two Dining Hall/Nature Center	620,000	620,000	620,000	620,000
Alternative Three Dining Hall/Nature Center	224,000	224,000	224,000	224,000
Camp Enhancements	-	-	-	-
Estimated Sub-Totals	844,000	844,000	844,000	844,000
Grand Totals	1,755,000	1,755,000	1,755,000	1,755,000

Figure 24 –Family Camp Capital Improvement Plan - Years 2017-2020

CHAPTER EIGHT – APPENDIX 2: CITY INDIRECT COSTS

PROS understands that the City has a policy of showing cost recovery with an indirect cost assessment. The indirect cost amounts have never been assessed to the Family Camp operations. The indirect cost is estimated to be 68.62% for 2011 to PRNS' programs. The rate changes each year to facilitate the overhead costs for a program. The indirect charges are placed against City personnel wages only that are associated with that program. The indirect cost increase to Family Camp expenditures could be approximately \$2,200,000 for the ten-year study period as shown in **Figure 25**. Charging Indirect Cost to the Family Camp will prevent the operations from covered all of its operating and annual capital expenditures necessitating General Fund subsidies for operations. The City could use a third party concessionaire to run Family Camp in the future. Such a move would drastically reduce the indirect expenditure for Family Camp and could improve the program cost recovery, if the Camp is not subject to the City's living wage requirements.

	2011	2012	2013	2014	2015
Direct Camp Revenues	\$ 700,000	\$ 730,450	\$ 758,667	\$ 788,176	\$ 819,061
Direct Camp Expenditures	\$ 621,061	\$ 635,294	\$ 703,857	\$ 720,648	\$ 737,851
Annual Capital Appropriations	\$ 174,000	\$ 84,000	\$ 30,000	\$ 30,000	\$ 30,000
Indirect Cost at 68.62% of Direct Wages	\$ 195,194	\$ 200,093	\$ 205,115	\$ 210,264	\$ 215,541
Total Direct Expenditures, Annual Capital and Indirect Costs	\$ 990,255	\$ 919,387	\$ 938,973	\$ 960,912	\$ 983,393
Revenues Over (Under) Direct Expenditures, Annual Capital & Indirect	\$ (290,255)	\$ (188,937)	\$ (180,306)	\$ (172,736)	\$ (164,332)
Visitor Nights	16,000	16,320	16,646	16,979	17,319
Income (Subsidy) Per Visitor Night	\$ (18.14)	\$ (11.58)	\$ (10.83)	\$ (10.17)	\$ (9.49)
Cost Recovery	71%	79%	81%	82%	83%
	2016	2017	2018	2019	2020
Direct Camp Revenues	\$ 851,408	\$ 885,317	\$ 920,893	\$ 958,253	\$ 997,523
Direct Camp Expenditures	\$ 755,477	\$ 773,535	\$ 792,038	\$ 810,996	\$ 830,421
Annual Capital Appropriations	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Indirect Cost at 68.62% of Direct Wages	\$ 220,952	\$ 226,497	\$ 232,182	\$ 238,010	\$ 243,984
Total Direct Expenditures, Annual Capital and Indirect Costs	\$ 1,006,428	\$ 1,030,033	\$ 1,054,220	\$ 1,079,006	\$ 1,104,405
Revenues Over (Under) Direct Expenditures, Annual Capital & Indirect	\$ (155,020)	\$ (144,715)	\$ (133,327)	\$ (120,753)	\$ (106,882)
Visitor Nights	17,665	18,019	18,379	18,747	19,121
Income (Subsidy) Per Visitor Night	\$ (8.78)	\$ (8.03)	\$ (7.25)	\$ (6.44)	\$ (5.59)
Cost Recovery	85%	86%	87%	89%	90%

Figure 25 – Results of Direct Revenues, Direct Expenditures, Annual Capital Costs and Indirect Costs